GOVERNMENT OF INDIA
MICRO,SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1337
ANSWERED ON:25.07.2016
Impact of MNC on MSME
Singh Shri Rakesh;Somaiya Dr. Kirit

Will the Minister of MICRO,SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether the Government has taken note that due to competition from big Indian companies and Multi National Companies(MNCs) the MSME units in the country are facing severe threat and many of the units have already been closed down;

(b) if so, the details thereof along with the number of MSME units which have been closed down during each of the last three years and current year along with the reasons therefor; and

(c) the steps beings taken by the Government to promote and protect such MSMEs from big Indian companies and MNCs?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a)&(b): The survival and growth of Micro, Small and Medium Enterprises (MSMEs) is confronted with a number of challenges like availability of timely credit, upgradation of technology, infrastructure, access to market etc. Competition from internal and external sources is also a challenge. Information on closure among MSMEs is collected through conduct of periodic Census of Registered Sector. As per the last MSMEs Census (Fourth) data collected with reference to base year 2006-07, a number of closed MSMEs in Registered Sector is 4.96 lakh. The reasons of closure of MSMEs are varied and range from inadequate access to capital, technology & markets, inability to survive competition and financial non-viability due to changing business environment. Information of closed MSMEs revived are not centrally maintained.

(c): The Ministry of Micro, Small and Medium Enterprises has been implementing various schemes and programmes for promotion, upgradation and development of MSMEs. The major schemes / programmes include Prime Minister's Employment Generation Programme (PMEGP), Credit Guarantee Scheme, Credit Linked Capital Subsidy Scheme (CLCSS), National Manufacturing Competitiveness Programme, Cluster Development Programme, Marketing Development Assistance, Skill Development Programme, International Cooperation Scheme and Public Procurement Policy for Micro and Small Enterprises (MSEs) etc. Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 also has the provision to protect MSEs against delayed payments by the buyers for the goods and services rendered by MSEs.